

Message Text

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ACTION IO-13

INFO OCT-01 ARA-06 ISO-00 AF-10 EA-07 EUR-12 NEA-10
AID-05 CIAE-00 COME-00 EB-07 INR-07 LAB-04
NSAE-00 SIL-01 TRSE-00 OMB-01 DODE-00 PM-04 H-01
L-03 NSC-05 PA-01 PRS-01 SP-02 SS-15 STR-04
NSCE-00 SSO-00 USIE-00 INRE-00 /120 W
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O 031958Z MAY 77

FM USMISSION USUN NEW YORK

TO SECSTATE WASHDC IMMEDIATE 3413

INFO AMEMBASSY GUATEMALA CITY IMMEDIATE

C O N F I D E N T I A L SECTION 1 OF 2 USUN 1341

GUATEMALA CITY FOR AMBASSADORS YOUNG AND WELLS

E.O. 11652: GDS

TAGS: EGEN, UN, ECOSOC, EINV

SUBJECT: TRANSNATIONAL CORPORATIONS COMMISSION: COLLABORATION
IN SOUTHERN AFRICA

1. SUMMARY: TRANSMITTED BELOW IS THE TEXT OF AN
AFRICAN GROUP RESOLUTION INTRODUCED ON MAY 3 IN THE
THIRD SESSION OF THE COMMISSION ON TRANSNATIONAL COR-
PORATIONS, DEALING WITH "ACTIVITIES OF TRANSNATIONAL
CORPORATIONS IN SOUTHERN AFRICA AND THEIR COOPERATION
WITH THE RACIST MINORITY REGIMES IN THAT AREA." DRAFT
RESOLUTION MAY COME UP FOR NEGOTIATION AND/OR VOTE AS
EARLY AS MAY 4. MISSION REQUESTS INSTRUCTIONS. END
SUMMARY.

2. ON MAY 3 NIGERIAN PERMANENT REPRESENTATIVE HARRIMAN,
SPEAKING ON BEHALF OF THE AFRICAN GROUP, INTRODUCED IN THE
CURRENT SESSION OF THE COMMISSION ON TRANSNATIONAL CORPORA-
TIONS A DRAFT RESOLUTION ENTITLED "ACTIVITIES OF TRANSNATIONAL
CORPORATIONS IN SOUTHERN AFRICA AND THEIR COLLABORATION
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WITH THE RACIST MINORITY REGIMES IN THAT AREA." (TEXT
TRANSMITTED BELOW.) IN INTRODUCING THE RESOLUTION, AMBAS-
SADOR HARRIMAN EMPHASIZED THAT TNC'S HAVE BEEN A CRITICAL
FACTOR IN SUPPORTING RACIST REGIMES, THAT BECAUSE OF PROFIT
MOTIVATIONS TNC'S INHERENTLY SUPPORT THE STATUS QUO AND, FOR EXAMPLE,
THAT ALL EVIDENCE INDICATES THAT TNC'S ARE NOT EVEN DOING
WHAT IS POSSIBLE UNDER SOUTH AFRICAN LAW (E.G. WAGE LEVELS,

SUPPORT OF BLACK TRADE UNIONS). HE EXPRESSED PARTICULAR CONCERN ABOUT THE ROLE OF TNC'S IN SUPPLYING ARMS AND SUPPORTING THE DEVELOPMENT OF AN ARMS INDUSTRY IN SOUTH AFRICA. HE ALSO SINGLED OUT BANKS FOR THEIR ROLE IN THE AREA. HARRIMAN NOTED THAT TNC'S WERE ACTIVELY PROMOTING PROPAGANDA PROGRAMS DIRECTED AGAINST UN EFFORTS TO ACHIEVE FUNDAMENTAL CHANGES IN THE AREA (E.G. THE SOUTH AFRICAN FOUNDATION, CLUB OF TEN). HE READ OFF A LIST OF TRADE FIGURES FOR THE FRG, FRANCE, THE UK, AND THE U.S., COVERING TOTAL TRADE WITH AFRICA, TRADE WITH SOUTH AFRICA, AND TRADE WITH NIGERIA AND CONCLUDED THAT TNC'S SHOULD RECOGNIZE THAT THEIR ADVANTAGE LIES NOT IN ECONOMIC RELATIONS WITH SOUTH AFRICA BUT WITH THE REST OF AFRICA. IN THIS CONNECTION, HE STATED THAT GOVERNMENTS SHOULD RECOGNIZE THAT NIGERIA "MIGHT BECOME STRONG ENOUGH TO RETALIATE." FINALLY, HE SAID THAT IT WAS IMPORTANT FOR THE TNC COMMISSION TO ACT NOW SO AS TO PRECLUDE AN UPSURGE OF PRIVATE INVESTMENT ACTIVITY IN SOUTHERN AFRICA.

3. REPRESENTATIVES OF KENYA, ZAMBIA, YUGOSLAVIA, AND ALGERIA ALSO MADE STATEMENTS SUPPORTING THE DRAFT RESOLUTION. OF PARTICULAR INTEREST WAS THE STATEMENT BY THE ALGERIAN REPRESENTATIVE, LINKING ZIONISM TO THE ACTIVITIES OF TNC'S IN SOUTHERN AFRICA AND PROPOSING THAT THE CENTRE PREPARE A REPORT OF THIS SUBJECT.

4. COMMENT: THE IMPORTANCE WHICH THE AFRICAN GROUP ATTACHES TO THIS INITIATIVE IS INDICATED BY THE FACT THAT AMBASSADOR HARRIMAN PERSONALLY INTRODUCED IT. PERMANENT REPRESENTATIVE

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REPRESENTATIVES OF SIERRA LEONE AND ZAIRE WERE ALSO PRESENT BUT DID NOT SPEAK AT THE MORNING SESSION. ALTHOUGH THE LIST OF CO-SPONSORS IS NOT DEFINITE AS YET, IT INCLUDES ALL TWELVE AFRICAN MEMBERS OF THE COMMISSION AND A GOODLY NUMBER OF OTHER G-77 MEMBERS.

5. WE ARE INFORMALLY TOLD BY THE NIGERIANS THAT THIS DRAFT RESOLUTION IS A CONSIDERABLY WATERED DOWN VERSION OF THE ORIGINAL DRAFTS TABLED IN THE AFRICAN GROUP MEETING. REPORTEDLY, AMBASSADOR HARRIMAN WAS INSTRUMENTAL IN THIS MODERATING PROCESS AND IS NOW UNDER SOME PRESSURE TO TAKE A HARD LINE IN ANY NEGOTIATIONS WHICH MIGHT FOLLOW. ONE OF THE REPORTED CHARGES AGAINST HARRIMAN IS THAT HE HAS BECOME TOO FRIENDLY TOWARD THE U.S.

6. FROM THE MISSION'S VIEWPOINT THE DRAFT RESOLUTION RAISES SEVERAL PROBLEMS, INCLUDING THE BLANKET ASSERTION THAT TNC'S SUPPORT RACIST MINORITY REGIMES AND, THEREFORE, SHOULD BE CONDEMNED, THE REQUEST THAT NEW IN-

VESTMENT BE STOPPED AND A PROGRESSIVE PROGRAM OF DISEN-
GAGEMENT BE UNDERTAKEN, AND THE REQUEST FOR HOME COUNTRY
ACTION. WE DOUBT THAT THE AFRICA GROUP
WOULD BE WILLING TO WITHDRAW FROM GENERAL ASSEMBLY RESOLU-
TIONS CALLING FOR WITHDRAWAL OF INVESTMENTS AND, THUS, WE
ARE NOT SANGUINE THAT THIS RESOLUTION IS NEGOTIABLE. THE BRITISH AGREE
AND SUGGEST THAT RATHER THAN ATTEMPTING TO NEGOTIATE, WE
AND PRESUMABLY OTHER WEO'S SIMPLY BE PREPARED TO VOTE ON THE
TEXT AS IS. END COMMENT.

7. MISSION WOULD APPRECIATE GUIDANCE BOTH ON THE SUBSTANCE
AND ON PROCEDURES TO BE FOLLOWED.

8. FOR GUATEMALA (AMBASSADOR YOUNG): HARRIMAN'S STAFF
HAS INDICATED THAT HE WOULD BE PLEASED TO HEAR FROM
YOU IF YOU HAVE ANY COMMENTS TO MAKE.

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L-03 NSC-05 PA-01 PRS-01 SP-02 SS-15 STR-04
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FM USMISSION USUN NEW YORK
TO SECSTATE WASHDC IMMEDIATE 3414
INFO AMEMBASSY GUATEMALA CITY IMMEDIATE

C O N F I D E N T I A L SECTION 2 OF 2 USUN 1341

GUATEMALA CITY FOR AMBASSADORS YOUNG AND WELLS

COMMISSION ON TRANSNATIONAL CORPORATIONS
THIRD SESSION
NEW YORK, 25 APRIL - 6 MAY 1977

AGENDA ITEM 7. STUDIES ON THE EFFECTS OF
THE OPERATIONS AND PRACTICES OF TRANSNATIONAL
CORPORATIONS.

ALGERIA, GABON, GUINEA, KENYA, NIGERIA,

SIERRA LEONE, TUNISIA, UGANDA, ZAIRE, AND ZAMBIA;
DRAFT RESOLUTION

(ACTIVITIES OF TRANSNATIONAL CORPORATIONS IN SOUTHERN
AFRICA AND THEIR COLLABORATION WITH THE RACIST
MINORITY REGIMES IN THAT AREA)

THE COMMISSION ON TRANSNATIONAL CORPORATIONS.

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HAVING CONSIDERED THE REPORT OF THE CENTRE IN TRANS-
NATIONAL CORPORATIONS ON THE ACTIVITIES OF TRANSNATIONAL
CORPORATIONS IN SOUTHERN AFRICA AND THE EXTENT OF THEIR
COLLABORATION WITH THE ILLEGAL REGIMES IN THAT AREA (E/C.10/26)

GRAVELY CONCERNED OVER THE CONTINUING COLLABORATION BY
TRANSNATIONAL CORPORATIONS WITH THE RACIST MINORITY
REGIMES IN SOUTHERN AFRICA IN CONTRAVENTION OF UNITED
NATIONS RESOLUTIONS,

CONSIDERING THAT A CESSATION OF THE ACTIVITIES OF
TRANSNATIONAL CORPORATIONS IN SOUTHERN AFRICA WOULD
CONSTITUTE AN IMPORTANT STEP IN THE STRUGGLE AGAINST THE
RACIST MINORITY REGIMES,

CONSCIOUS OF THE CONTINUED NEED TO MOBILIZE WORLD PUBLIC
OPINION AGAINST THE INVOLVEMENT AND COLLABORATION OF
CERTAIN TRANSNATIONAL CORPORATIONS WITH THE RACIST
MINORITY REGIMES, WHICH IMPEDE THE INALIENABLE RIGHT
OF THE PEOPLES OF SOUTHERN AFRICA TO SELF-DETERMINATION
AND THEIR RIGHT TO DISPOSE OF THEIR NATURAL RESOURCES IN
THEIR BEST INTERESTS,

WELCOMING AS A POSITIVE STEP THE DECISION OF SOME
HOME GOVERNMENTS TO IMPOSE LIMITATIONS ON THE ACTIVITIES
OF THEIR TRANSNATIONAL CORPORATIONS IN SOUTHERN AFRICA,

1. REAFFIRMS THE INALIENABLE RIGHT OF THE PEOPLE OF
SOUTHERN AFRICA TO SELF-DETERMINATION AND INDEPENDENCE
AND THE ENJOYMENT OF THEIR NATURAL RESOURCES, AS WELL AS
THEIR RIGHT TO DISPOSE OF THOSE NATURAL RESOURCES IN THEIR
BEST INTEREST;

2. REAFFIRMS THAT THE ACTIVITIES OF TRANSNATIONAL
CORPORATIONS IN SOUTHERN AFRICA AND THEIR COLLABORATION WITH
THE RACIST MINORITY REGIMES IN THAT AREA CONSTITUTE
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A MAJOR OBSTACLE TO SELF-DETERMINATION, POLITICAL INDEPENDENCE AND THE ENJOYMENT OF THE NATURAL RESOURCES OF THE PEOPLE OF SOUTHERN AFRICA;

3. STRONGLY CONDEMNS THE ACTIONS OF THOSE TRANSNATIONAL CORPORATIONS WHICH CONTINUE TO COLLABORATE WITH THE RACIST MINORITY REGIMES IN SOUTHERN AFRICA IN CONTRAVENTION OF UNITED NATIONS RESOLUTION AND THEREBY ENCOURAGE THE RACIST MINORITY REGIMES TO PERSIST IN THEIR INHUMAN POLICIES;

4. CALLS UPON ALL TRANSNATIONAL CORPORATIONS TO COMPLY WITH ALL THE RELEVANT UNITED NATIONS RESOLUTIONS BY AN IMMEDIATE CESSATION OF ALL FURTHER INVESTMENTS AND PROGRESSIVE DISENGAGEMENT FROM SOUTHERN AFRICA AND END TO COLLABORATION WITH THE RACIST MINORITY REGIMES IN THAT AREA.

5. CALLS UPON HOME COUNTRIES OF TRANSNATIONAL CORPORATIONS TO ADOPT LAWS AND REGULATIONS AS WELL AS OTHER MEASURES IN ORDER TO PUT AN END TO THE COLLABORATION OF THEIR TRANSNATIONAL CORPORATIONS WITH THE RACIST MINORITY REGIMES, IN ACCORDANCE WITH UNITED NATIONS RESOLUTIONS;

6. CALLS UPON ALL HOME COUNTRIES TO SUBMIT TO THE COMMISSION ON TRANSNATIONAL CORPORATIONS THROUGH THE CENTRE ON TRANSNATIONAL CORPORATIONS ANNUAL REPORTS ON THE ACTIVITIES OF TRANSNATIONAL CORPORATIONS OF THEIR NATIONALITY, THEIR AFFILIATES AND SUBSIDIARIES, WHICH COLLABORATE DIRECTLY OR INDIRECTLY WITH THE RACIST MINORITY REGIMES IN SOUTHERN AFRICA;

7. REQUESTS THE CENTRE ON TRANSNATIONAL CORPORATIONS:

(I) TO COLLECT AND PUBLICIZE INFORMATION ON THE ACTIVITIES OF TRANSNATIONAL CORPORATIONS WHICH COLLABORATE DIRECTLY

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OR INDIRECTLY WITH THE RACIST MINORITY REGIMES IN SOUTHERN AFRICA IN CONTRAVENTION OF UNITED NATIONS RESOLUTIONS;

(II) TO CO-OPERATE WITH THE RELEVANT UNITED NATIONS BODIES IN COLLECTING AND DISSEMINATING SUCH INFORMATIONS;
(III) TO CONDUCT FURTHER IN-DEPTH STUDIES ON THE ACTIVITIES OF TRANSNATIONAL CORPORATIONS, PARTICULARLY IN

THE BANKING AND FINANCIAL SECTORS AND ON THE SOCIAL
AND CULTURAL IMPACT AS WELL AS THEIR EMPLOYMENT
PRACTICES IN SOUTHERN AFRICA, WHICH SHOULD BE SUB-
MITTED TO THE ECONOMIC AND SOCIAL COUNCIL
THROUGH THE COMMISSION ON TRANSNATIONAL CORPOR-
ATIONS AT ITS FOURTH SESSION. UNQUOTE

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